

## **Education and Workforce Development Cabinet**

# **Kentucky's jobless rate plunges to 6.2 percent in October**

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### **Contact Information:**

**FRANKFORT, Ky. (Nov. 20, 2014)** — Kentucky's seasonally adjusted preliminary unemployment rate dropped to its lowest rate in more than six years in October 2014 at 6.2 percent from a revised 6.7 percent in September 2014, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

It marks the single-biggest one-month drop in the unemployment rate since 1976, when the current methodology for measuring the rate was adopted. It surpasses last month's record-breaking drop of 0.4 percent and makes the state's 0.9 percent drop in the unemployment rate since August the largest reduction measured in a two-month time period.

"The last time we saw unemployment rates drop this low was in pre-recessionary times when it was 6.2 percent in May 2008," said economist Manoj Shanker of the OET. "This is the sixth month of decline in Kentucky's unemployment rate this year."

The preliminary October 2014 jobless rate was 2 percentage points below the 8.2 percent rate recorded for the state in October 2013.

The U.S. seasonally adjusted jobless rate slipped to 5.8 percent in October 2014 from 5.9 percent a month ago, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates from the Current Population Survey of households. It is designed to measure trends rather than to count the actual number of people working. It includes jobs in agriculture and those classified as self-employed.

In October 2014, Kentucky's civilian labor force was 1,996,754, a decrease of 5,493 individuals compared to the previous month. Employment was up by 4,305, and the number of unemployed declined by 9,798.

In a separate federal survey of business establishments that excludes jobs in agriculture and people who are self-employed, Kentucky's seasonally adjusted nonfarm employment increased by 10,800 jobs in October 2014 from the month before, and by 37,900 positions since October 2013.

"The trend is definitely going in the right direction," said Shanker. "We haven't seen this magnitude of year-over-year gains in nonfarm employment since 2000."

Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, seven of Kentucky's 11 major nonfarm North American Industry Classification

System (NAICS) job sectors registered gains in employment, while four declined from the previous month.

Kentucky's professional and business services added 6,100 positions in October 2014 from a month ago. The year-over-year gain was more substantial with the addition of 14,600 jobs, or 7.2 percent. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services and payroll processing. The month-to-month gain came principally from the subsector associated with administration and support, and waste management.

Employment in the educational and health services sector increased by 2,100 positions in October 2014, and gained 5,100 jobs over the year. Health care jobs, which account for nearly 90 percent of employment in this sector, had a month-to-month increase of 1,500 jobs in October and expanded by 3,900 positions over last year.

The state's trade, transportation and utilities sector gained 1,800 jobs in October 2014 compared to September 2014. From a year ago, employment has grown by 8,100 jobs. This is the largest sector in Kentucky accounting for one-fifth of all nonfarm jobs. More than half of these jobs were in the retail trade sector which had an employment gain of 1,600 positions.

The leisure and hospitality sector grew by 1,000 positions in October 2014. Since October 2013, this sector has grown by a substantial 10,800 jobs for an increase of 6.1 percent. This sector includes arts, entertainment, recreation, accommodation and food services.

Kentucky's manufacturing sector added 700 jobs in October 2014 compared to the previous month. Since October 2013, employment in manufacturing has increased by 3,400 jobs.

The financial activities sector rose by 600 jobs from a month ago. The sector has lost 1,200 positions over the last 12 months.

The construction sector gained 300 jobs in October 2014 from a month ago. Since October 2013, employment in construction has declined by 5,200 positions.

Employment in the mining and logging sector fell by 100 in October 2014. The industry has added 200 jobs since last October.

The information sector decreased by 400 jobs in October 2014. This segment has risen by 500 positions since October 2013. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

Employment in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, declined by 500 positions in October from a month ago. This sector posted an increase of 100 jobs from a year ago.

Employment in the government sector, which includes public education, public administration agencies and state-owned hospitals, fell by 800 in October 2014, but posted an increase of 1,500 positions compared to October a year ago.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about Kentucky labor market information at [www.kylmi.ky.gov](http://www.kylmi.ky.gov).